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Report of the Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions

Held at United Nations Headquarters, New York, from 17 to 19 May 1993

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INTRODUCTION

1. In paragraph 12 of its resolution 46/212 the General Assembly requested the Secretary-General "to convene a meeting of governmental experts from land-locked and transit developing countries and representatives of donor countries and financial and development institutions to review and propose appropriate concrete action to address the problems of land-locked developing countries, to be forwarded to the Trade and Development Board and to the General Assembly at its forty-eighth session for appropriate action". The meeting was convened at United Nations Headquarters in New York from 17 to 19 May 1993.

2. In his opening statement, the Deputy Secretary-General of UNCTAD stated that the convening of the Meeting of Experts was the culmination of a long process from which a consensus had emerged. Part of this consensus was that the most effective approach to tackling the particular problems of land-locked developing countries was within the framework of cooperative arrangements with their transit countries. Another part of this consensus was the recognition that land-locked developing countries and transit countries left on their own had very limited capability to cope with the challenge of improving transit transport systems and that the donor community had an important role to play in supporting programmes designed to develop and maintain transit infrastructures and services. He noted that the Meeting, which was the first of its kind, therefore presented a unique opportunity to solidify this consensus and make it a firm basis for practical cooperative arrangements between land-locked developing countries and their coastal neighbours in various areas related to transit and for increased donor support.

3. During the last few decades, although some progress had been made in improving transit systems through national, subregional and international measures, adverse domestic and external factors continued to undermine these efforts. The international transport costs facing land-locked countries thus remained much higher than those facing other developing countries and industrial countries. Factors leading to this situation included a transit infrastructure which was weak, particularly in the 16 land-locked countries which were least developed countries, and which had deteriorated in several countries because of economic crisis and civil strife; the legitimate concern of transit countries to formulate transport and freight-rate policies to support their own domestic development strategy; high insurance costs and cumbersome customs procedures and formalities; inadequate port facilities and port congestion; and inadequate communication links.

4. The problems of land-locked developing countries were not always easy to resolve because of certain legitimate concerns of transit countries, and this situation clearly called for bilateral and subregional agreements and arrangements to safeguard the interests of all parties, as well as adherence to multilateral conventions. The latter were not widely adhered to, either because of lack of knowledge about their benefits or unwillingness to adopt a global approach to the settlement of regional and bilateral problems, and bilateral and subregional agreements were generally too broadly conceived and weakly implemented.

5. The meeting should aim to reach a consensus agreement on measures that should be taken at the national, subregional and multilateral levels. National measures should particularly focus on establishing more liberal regimes to ensure that the national transit policies enhanced cost-effective services to the export and import trade community. This applied to both land-locked and transit countries. It would best be achieved by Governments making deliberate efforts to promote a more market-oriented approach in those public and private organizations providing transit services.

6. At the subregional level, both land-locked countries and transit countries should endeavour, as a matter of priority to review those transit agreements which had been too broadly formulated and needed to be adjusted to reflect recent changes in transit situations. He stressed that what was, however, of critical importance was to establish more effective institutional monitoring mechanisms to ensure that the agreed arrangements and agreements were effectively implemented. The land-locked countries and transit countries should also make deliberate efforts to adhere to international conventions relevant to transit. This would certainly provide an added stimulus to international cooperation in transit issues.

7. He called on the donor community to increase its support to those programmes that were targeted at improving transit infrastructure and services. There were now a number of subregional institutions involved in drawing up programmes to improve such facilities and services, and they constituted appropriate vehicles for such donor support. The considerable donor support for SATCC (Southern African Transport Coordination Commission) was one of the recent leading examples of positive donor response to the requirements of the land-locked and transit countries in the subregion. Such initiatives in other regions and subregions should be further encouraged.

8. The Chairman noted that, although the developed land-locked States did not face the problems that the developing countries faced, lack of territorial access to the sea was a fundamental problem of concern to all land-locked States, because the efficiency of moving transit cargoes to and from ocean ports depended on the effectiveness of cooperative arrangements between land-locked States and their transit neighbours. Developed land-locked countries had achieved considerable progress in this regard, but the developing land-locked countries still faced serious problems in establishing and effectively implementing such arrangements.

Chapter I

REVIEW OF THE PROBLEMS OF LAND-LOCKED AND TRANSIT DEVELOPING COUNTRIES
(Agenda item 3)

PROPOSAL FOR APPROPRIATE CONCRETE ACTION TO ADDRESS THE PROBLEMS OF LAND-LOCKED DEVELOPING COUNTRIES TAKING INTO ACCOUNT THE PROBLEMS OF TRANSIT DEVELOPING COUNTRIES
(Agenda item 4)

9. For its consideration of these agenda items, the Meeting had before it a report by the UNCTAD secretariat entitled "Transit systems for land-locked developing countries: current situation and proposals for future action" (TD/B/LDC/AC.1/2).

10. The representative of Afghanistan, stated that the key issue of the meeting was the isolation of land-locked developing countries from world markets and high transit costs. The transit problem was no longer a question of the legal right of access to the sea, which had been important in the late 1950s and early 1960s but which had now been recognized. Rather it was a question of how to ensure that this legal right was made effective. This required that measures be taken in transit countries, but these measures necessarily should not infringe on the legitimate interests of transit countries.

11. The transit problem was a major issue in the world economy in the latter half of the twentieth century. It was a problem of great magnitude and great complexity. There were variations amongst land-locked developing countries in the particular difficulties which they faced (including differences in the number of countries which must be crossed to gain access to the sea and differences in the situation of infrastructure, with some countries facing an inadequately developed infrastructure and others facing reconstruction needs after a war situation). It was also a problem which was constantly changing, as the case of Afghanistan illustrated. Afghanistan had now become a transit country for the newly independent States in Central Asia; it had also become a least developed country and a war-stricken country, and it was now actively participating in regional transit cooperation within the framework of the Economic Cooperation Organization (ECO). The transit problem therefore needed to be kept under constant review.

12. Action to improve transit systems was part of the war on underdevelopment because of the way transit costs limited development prospects by inflating import costs and draining foreign exchange. He listed the key fields for action as: road, rail, storage, communications, energy and personnel. He noted that problems in these areas were common to both land-locked and transit countries. Coordination and preparedness against disasters were also necessary. He particularly emphasized the need for railway links. Action was necessary at both the regional and the national levels, and it should include improved cooperative arrangements, infrastructure, and administration and management systems. A key issue was to give incentives to transit countries to improve transit systems because poverty and backwardness was not something which stopped at the border of land-locked countries.

13. He urged the donor community to address the issue of the type of financial, technical and organizational assistance needed to improve transit systems. If this was not done, the international community would be condemning land-locked countries to poverty and backwardness, and this was the meaning of international responsibility in this context.

14. It was necessary to establish to what extent it was possible to generalize globally on the transit issue and to find out to what extent problems were shared regionally or were specific to individual countries. A country-by-country approach to the problem was necessary. With this in view, he proposed that country-case, multi-purpose survey studies of the transit problem be launched, and that UNDP and UNCTAD should seriously consider this proposal.

15. The representative of Uganda expressed his appreciation for the continued support provided by the UNCTAD secretariat since UNCTAD III to the land-locked developing countries in the area of transit operations. He further called upon UNCTAD to continue this support now that demands had grown bigger not only with the increase in the number of land-locked countries but also on account of the many difficult areas that still remained largely unsolved. He noted the large role that the donor community had played in support of some of these programmes, for which the land-locked developing countries were also grateful. Donors would be required to play an even bigger role, because they too stood to benefit from an international system that was run efficiently and cost effectively. In this connection, he felt that by the end of the Meeting, a programme of action should be developed which the donor community could be called upon to support.

16. Given the content of resolution 46/212, which had gained the full support of transit countries, donor countries and international and financial institutions, the Meeting should focus its deliberations on the problems of land-locked developing countries, but this should not be done without taking into consideration the problems faced by transit countries.

17. Turning to the major problems faced by land-locked countries, he noted that, while design of an efficient transit system might not be an issue of priority to Governments of coastal transit States, it was a matter of critical importance to land-locked developing countries. Facilities for easy access to the sea for land-locked developing countries was of critical importance. A key difficulty in this regard was the poor capacity of both land-locked and transit countries with regard to maintaining whatever infrastructure they might have that led to the sea, including roads, railways and ports.

18. In the case of the Africa region, he stressed that transit problems were particularly serious and of significant concern. Even where there might be infrastructure of some sort, some other problems still continued to persist. Procedural arrangements could turn out to be slow, frustrating and costly. Administrative procedures especially had been known to be cumbersome and costly. He emphasized the need to develop agreed transit procedures that were coordinated in tandem with the physical movement of goods. Such procedures should address the whole mechanism required to facilitate easy and cost-effective transit for land-locked developing countries.

19. Referring to the complex formalities, multiple documentation requirements and inter-country variations in procedures which were normally sources of inefficiency in transit corridors, he stressed that the land-locked developing countries could not address problems of their transit systems on their own. Their transit requirements by road, rail or waterways necessarily implied that they must collaborate closely and work jointly with their transit country counterparts for transport facilities and work out jointly agreed rules of procedures to facilitate speedy and efficient transit. The question of cooperation in this regard was therefore of critical importance. He felt that there were mutual advantages to be gained through such cooperation. For coastal States, transit facilities could be profitable if efficiently run and cost-effective. Earnings from international road haulage, railway transport and port services were among the obvious benefits to be accrued, and much foreign exchange could be earned.

20. The legitimate concerns of coastal States with regard to customs security and the possibility that goods could simply disappear into the hinterland should be tempered with the equally important legitimate concern of land-locked developing countries to ensure that their goods, once in transit, were not interfered with, under any pretext. He called for an effective monitoring and enforcement mechanism in this regard and felt that the time had come to establish institutional mechanisms that could monitor and enforce cooperative arrangements entered into between land-locked and transit developing countries.

21. He also noted that transit problems did not exist in Europe because over the years it had been possible to develop an efficient infrastructure and effective machinery of cooperation. Land-locked and transit countries should draw lessons from that experience.

22. The representative of Bolivia noted that Bolivia had been a land-locked country for a number of years because of past political events. He noted, however, that he was not going to dwell on the history of this political development, since the Meeting was going to focus on the technical issues of transit. It was necessary to verify what the problems of being land-locked, which were very well rendered by the Spanish word "enclaustramiento", actually were. He listed seven ways in which that land-locked developing countries bore high costs because of their geographical situation. Firstly, there were heavy costs arising from the red tape which was associated with the implementation of transit regulations, and from the administrative costs of getting information about rules in transit countries. Secondly, land-locked countries gained no direct income from port revenue, fishing and coastal tourism. Thirdly, national enterprises of transit countries received better transport and operational services in transit countries than national enterprises of land-locked countries. Fourthly, land-locked countries were dependent on the political reality in transit countries, and, owing to the possibility of changes in the rules, risks were greater. Fifthly, exporters in land-locked countries were at a competitive disadvantage vis-à-vis exporters in transit countries, and land-locked countries were a less attractive destination for foreign investment, even if free zones were established on their territory. Sixthly, foreign exchange had to be allocated

for port services. And seventhly, there were psychological costs of being in a land-locked country.

23. He underlined that the need for action to address the problems facing land-locked countries basically followed from the need to have a level playing-field for all national participants in the international economy. Land-locked developing countries were at a disadvantage in competitive terms in relation to transit countries, and there was a problem of the equity and transparency of transit rules.

24. He proposed that discussions should focus on four areas. Firstly, recommendations should be formulated on a system of information. This could include case-studies of the type envisaged by the representative of Afghanistan. But it could go further by making an effort to quantify the various costs of being land-locked which affected the fairness of markets and by considering how information flows between countries and their computerization could be used to make transit systems more effective. Secondly, there was a need to discuss the fine-tuning of cooperative arrangements in order to reduce costs. Thirdly, there was a need to discuss the design of trade systems, which promoted preferential access to exports of land-locked countries, in view of their disadvantageous situation. Fourthly, there was a need to work on the design of investment systems, so that land-locked countries could attract investment in the face of their disadvantageous situation.

25. The representative of Niger stated that the central problem was high transit costs, which acted as a constraint on international trade and prevented the exploitation of natural wealth. At independence in 1960, Niger had been left with just 100 km of paved road. It was working to improve transit systems within the regional forum of MINCOMAR, which had a special commission on the problems of land-locked developing countries, but progress in improving international transport systems was proving to be a very slow process, and in some cases it seemed that the situation was deteriorating rather than improving.

26. Good studies on the transit problem were available now, and he proposed that what was needed was a search for concrete solutions. In this process, the experience of the developed countries could not be used as a model because most of the countries which had established colonies were coastal countries. He hoped that donors would examine the possibility of setting out concrete solutions to the transit problem, and not simply propose more studies as an outcome of the Meeting. He also noted that the key issue areas where action had to be taken were: (i) cumbersome customs procedures; (ii) weak administrative capacity and the need for training; (iii) the availability of adequate statistics, which was part of the problem of management; and (iv) the training of transport sector operators.

27. The representative of Mali described the major development problems facing Mali, including limited resources, weaknesses in infrastructure, poor technology, lack of rainfall, a persistent gap between plans and action, low incomes and high unemployment among the young. Tackling these problems needed a macroeconomic structure which included transit. This was because of high

transit costs and high foreign exchange payments for transport services. Action to improve transit systems should aim to improve competitivity in transit services in each link in the transit chain. Land-locked countries also needed diversified transport systems so that they could make choices, and there was a specific need for improved information systems.

28. At a conference convened by Mali in 1992, various aspects of the transit problem facing Mali had been examined. These included various national transport problems, a low mileage of roads within the country, many of which were not paved, weak terminal capacity of railroads, which carried 60 per cent of Mali's production, inland waterways which were characterized by a lack of knowledge of river systems, lack of equipment and a weakening infrastructure.

29. Mali was dependent on the maritime facilities of neighbouring countries, and it was guided in its international transport policy by international conventions (such as the 1974 Liner Code of Conduct on the allocation of national cargoes to shipping lines) and by bilateral agreements. It had its own organizations for managing the storage of goods in the ports of Lomé, Abidjan and Dakar.

30. Mali's transport policies were integrated into the country's national policies. The main objectives were to diversify access to the rest of the world and promote internal transport links to rural areas. A plan of action for 1994-1996 aimed to improve transit corridors, to open up the land-locked nature of the country through intra-regional links, and to improve private sector participation in infrastructure development. Mali hoped that the donor community would meet some of the financial needs of this programme, and that transit countries would also support efforts to improve transit systems. The specific problems of land-locked developing countries, and particularly least developed land-locked countries, needed attention.

31. The representative of Nepal, after expressing appreciation to UNCTAD for its catalytic role in examining the problems of land-locked countries, stated that all land-locked countries shared a common factor, in spite of their diversity. This was lack of territorial access to the sea and the impact of this geographical situation on their development. This fundamental communality meant that the Meeting could strive for concrete proposals common to all land-locked countries. The lack of a coincidence of interests between land-locked and transit countries was a problem, but efforts must be made to establish cooperative arrangements on the basis of mutual advantages. The donor community was important in this regard.

32. He underlined that trade access and investment preferences were important to enable land-locked countries to offset geographical disadvantages. He also stated that the Meeting should be regarded as the first step in a process of collaboration between the three major parties involved.

33. The representative of Armenia noted that despite significant efforts made by land-locked and transit countries, the implementation of measures to improve transit systems continued to fact difficulties, and it was in this context that General Assembly resolution 46/212 had been adopted. The resolution was also timely because of the creation of new land-locked

countries, including the seven new independent republics created by the break-up of the USSR. Those new land-locked republics faced new problems. They were seeking new markets, as their trade had formerly been totally integrated with the USSR, and at the same time, former transport and communications links had been destroyed.

34. With regard to Armenia's specific problems, when the USSR had existed, all Armenia's trade had been carried via Georgia and Azerbaijan to the USSR. But Azerbaijan was currently blockading transit traffic, and although Armenia had agreements with Georgia, domestic problems in the latter had disrupted transit traffic through it. The former USSR had no economic relations with Armenia's other two transit neighbours - Turkey and the Islamic Republic of Iran - and so economic relations had had to begin from scratch. Turkey had now closed its border to Armenia's goods because of the dispute with Azerbaijan over Nagorno-Karabakh, and there were no road links with the Islamic Republic of Iran. The economic consequences of this situation were particularly grave because of the lack of domestically produced energy and the limited capacity and high cost of the only alternative to overland transit, namely air transport.

35. The representative of Armenia stated that the question of transport would determine the future of the people and the State of Armenia, and his country needed the assistance and experience of other States.

36. The representative of the Ministerial Conference of West and Central African States on Maritime Transport (MINCOMAR) stated that five of the twenty-five member States of the organization which he represented were land-locked, and MINCOMAR was taking various measures to tackle transit problems. These problems were: precariousness of infrastructure, bad inter-modal coordination arrangements, poor communications, cumbersome documentary procedures, and a lack of expertise. Concrete measures which had been taken included the provision of storage areas in ports and the lowering of port expenses.

37. The representative of MINCOMAR welcomed donor support to improve the transit systems in West and Central African States provided by the UNDP/UNCTAD Project RAF/88/14, which had two elements: (i) transit traffic (including the facilitation of transit traffic, elaboration of conventions relating to road transport, simplification of customs formalities, maritime coordination management of information and the creation of dry ports); and (ii) support for the transport sector (including effective management systems for road, rail and inland waterways). A recent evaluation of the project had been positive, and the World Bank, EEC, ADB and France were all interested in its ability to modernize equipment and practices. The representative of MINCOMAR called on the international community to continue support for this project, as otherwise its successful work would be wasted.

38. The representative of Burundi said that land-locked developing countries constituted a group of countries which had at least one common feature - their lack of territorial access to the sea and the dependence of their international trade on the existence of transit systems in at least one other country.

39. With regard to the problems which Burundi faced in relation to transit and actions which had been taken to resolve them, the main corridors which carried Burundi's international trade were the Northern Corridor, the Southern Corridor and the Central Corridor, and each was characterized by different problems. In the Northern Corridor the main problems were related to procedures and customs regulations. Before the signing of the Northern Corridor Transit Agreement in 1985, there had been 13 customs documents, of which 63 copies had been utilized between Mombasa and Bujumbura. This situation had been simplified by the introduction of the Road Customs Transit Declaration (RCTD) - (Déclaration de Transit Douanier par Route), but there was still room to improve the quality of transport and eliminate avoidable costs, as in some countries the RCTD had to be used together with other documents. Other problems arose because customs authorities required a national bond as a guarantee against diversion of goods whilst freight forwarders would prefer an international bond, and because of the requirement for police escort of certain commodities. In the Central Corridor, procedural and administrative problems were less serious, but physical obstacles constrained transit operations, notably insufficiency of wagons and the poor condition of the road infrastructure, particularly in the rainy season. The circulation of information was also a problem, although the implementation of the SYDONIA project on customs operations and the computerization of these operations would accelerate customs clearance and reduce costs of warehousing.

40. Summarizing the major problems which weakened the economies of land-locked developing countries and constrained their international trade, he singled out five which required priority action. These were: firstly, the lack of exchanges between shippers in land-locked countries and their partners in transit countries in relation to transit; secondly, the problem of responsibility for the chain of transport and thus the costs of transport from door to door; thirdly, the insufficiency of and delays in information on conditions of cargo in transit and on door to door transport costs; fourthly, the lack of participation of land-locked countries in the establishment of tariffs in maritime ports; and, fifthly, the lack of participation of land-locked countries in the shipping companies of coastal countries and in the transport of a proportion of the goods of land-locked countries.

41. He expressed his gratitude to the donor community for its generosity to his country and stated that his country was counting on the donor community to increase the volume of aid devoted to the process of "désenclavement".

42. The representative of Malawi said that it was incontestable that efficient and cost-effective transport and communications were crucial to a land-locked country, which was geographically remote from major markets. He went on to describe the extraordinary problems faced by Malawi in its external transport facilities. For many years these facilities had been satisfactorily based on rail lines to the ocean ports of Beira and Nacala in Mozambique. However, in the 1980s, a combination of terrorist activity and lack of maintenance in Mozambique had brought its railways and the relevant ports to a standstill. As a result, circuitous and extremely expensive road haulage to distant South African ports was required.

43. He informed the meeting that, due to the increase in imports and exports, a General Cooperation Agreement between the Government of the Republic of Malawi and the Government of the United Republic of Tanzania had been signed in 1991 which, inter alia, established a joint commission of cooperation. This agreement was the fourth that Malawi had established so far with her neighbours, the others being with Mozambique, Zimbabwe and Zambia. Moreover, a northern route known as a "Northern Corridor" to the United Republic of Tanzania had been developed, which included storage facilities at the port of Dar es Salaam. Similarly, other imports and exports through Zimbabwe and Zambia had not encountered any difficulties. He hoped that the end of the civil war in Mozambique would reopen the Mozambique ports to Malawi.

44. He called for assistance from donor countries and financial and development institutions to improve domestic rail and lake transport networks, and for easy market access for Malawian exports. Because of an increased volume of traffic there was also a need for development of another railway line with more wagons running parallel to the present line, and for more wagons. Rehabilitation assistance was also required for roads and bridges along the Malawi lakeshore.

45. The representative of Burkina Faso said that his country was surrounded by six other countries and that the average distance between the capital, Ouagadougou, and the sea was approximately 1,000 km. Because of this geographical situation, a constant objective of Burkina Faso was the integration of the country with other economies of the region. Transit was an essential element of this integration. The country was thus seeking to reduce the negative consequences of being land-locked.

46. Reviewing in general terms the transit situation facing Burkina Faso, he said that the transit infrastructure was adequate, with tarred roads to the six capitals of neighbouring countries, including Abidjan; a railway line to Abidjan; and the opportunity to use the ports of Abidjan, Dakar, Lomé, Cotonou and even Lagos, with space put at the disposal of Burkina Faso in some of these ports and adequate storage facilities. However, it was one thing to put in place an adequate infrastructure and another to take advantage of it. This was particularly difficult in conditions of general economic crisis.

47. Burkina Faso was making major efforts to reduce transit costs through better logistical management of transit cargoes. A container terminal was being built, and the rolling stock of the railway was being improved. But the main transit problem which remained unsolved was transit practices. Agreements were made, but the attitude of those who had to implement the agreements was not always helpful. Transit traffic was also slowed down by customs procedures and excessive control points and documents. An agreement had been made in September with Mali and Côte d'Ivoire to simplify documentation, and there was an attempt to use a single document for the import of hydrocarbons from Lomé. However, much more needed to be done, and in this regard the contributions of donors were important.

48. The representative of Afghanistan, in a follow-up statement, made the following proposals: (i) UNCTAD and UNDP should undertake country-by-country multi-purpose survey studies of the transit issues in developing land-locked

and transit countries, aiming at the improvement, reconstruction or completion of the transit facilities and reorganization of transit services; (ii) the developing land-locked and transit countries' experts should contribute in the preparation of these surveys; (iii) the survey studies' terms of reference would be the major points mentioned in General Assembly resolution 46/212, of 20 December 1991 and the report of the UNCTAD secretariat TD/B/LDC/AC.1/2, of 26 March 1993; (iv) the survey studies should also contain a preliminary assessment of the expenses involved in the improvement, reconstruction, completion and reorganization of transit facilities and services.

49. The representative of the United Republic of Tanzania said there was no doubt that the hardships experienced by land-locked developing countries were partly caused by the problems faced by transit countries. Some of these problems which were associated with a general adverse international economic situation were beyond the control of the transit countries.

50. The United Republic of Tanzania was doing its best to facilitate transit and pledged to do more, but needed assistance, in particular for training management personnel and to facilite the development of storage and port facilities, since the volume of transit goods had increased tremendously.

51. The representative of ESCAP informed the Meeting of the establishment of a Special Body for Least Developed and Land-locked Countries as a part of the revised intergovernmental structure of the Commission. He pointed out that this special body intended to facilitate the economic development of these disadvantaged groups of countries and integrate them into the mainstream of the region's dynamic growth process. There was a convergence of other favourable factors as well, namely, the greater liberalization and outward-oriented economic development strategies adopted by the transit countries, which in the Asia and Pacific region were themselves developing countries. The SAARC and ECO countries had each taken the initiative of establishing a preferential tariff area which would facilitate market access for the member land-locked countries as well. These subregional initiatives would become building blocks for strengthening regional economic cooperation.

52. He further informed the meeting of some of the initiatives taken by ESCAP to promote the trade of the countries concerned as well as to develop their transport and communications links. In a recent seminar for the least developed land-locked countries, specific problems and measures had been identified for action by the national Governments within their own countries, as distinct from those for which action would require the cooperation of the transit countries, as well as those where action would need to be taken by the international community or multilateral agencies like ESCAP, UNCTAD, etc.

53. In its endeavour to promote regional and subregional cooperation for the development of land transport infrastructure, ESCAP had developed a special project on Asian Land Transport Infrastructure Development (ALTID) with the objective of facilitating and promoting regional and inter-regional movement of goods and people through the identification and development of land transport routes. This was an integrated project comprising: the Asian Highway, the Trans-Asian Railway, and Facilitation of Land Transport. It was intended to develop, in addition to the southern route (from Europe to

South-East Asia via the Islamic Republic of Iran, Pakistan, India, etc.), the northern route (from Europe via the Russian Federation, Kazakhstan, China, etc., to the Korean Peninsula). Both these routes, if developed with an integrated rail-cum-road approach, could provide the developing countries in Asia, including the land-locked countries, with transport links to Europe and access to a sea port in the region. Nepal and Mongolia were already parties to the Asia Highway and Trans-Asian Railways projects, and Afghanistan and the Lao People's Democratic Republic, having no railways, were participating in the Asian Highway project. The six land-locked Asian republics had also been invited to join the ALTID project.

54. In addition, ESCAP was organizing studies to identify and develop transport routes to link the Asian republics with neighbouring member countries in the region. The ESCAP secretariat had also initiated work to publish a land transport linkage map of the ECO region.

55. In the area of trade facilitation, ESCAP had organized, in collaboration with UNCTAD, national-level seminars in land-locked countries like Bhutan, Nepal and Mongolia to streamline procedures and simplify documentation in accordance with the United Nations single layout key for trade documentation. Advisory services were also being rendered to the land-locked countries in transit transport agreements. It was anticipated that the issue of transit trade agreements would need priority attention, especially for the six Asian republics.

56. In concluding, he reiterated that the special needs and concerns of the increased number of land-locked countries in the region would receive priority attention in promoting economic cooperation at the subregional and regional levels.

57. The representative of Rwanda expressed his country's gratitude to its neighbouring countries which enabled transit - Kenya, the United Republic of Tanzania and Uganda, and stated that two subregional organizations were particularly important in promoting the transit cooperation and intra-regional trade of the country - the Economic Community of the Great Lakes, and the Kagera River Basin Authority. International economic relations, including a lack of capital inflows and weak technology transfer, meant that both land-locked and transit countries could not sufficiently foster economic prosperity, but in the case of Rwanda, there was the additional factor of war.

58. He noted that some efforts had been made to improve the road network, but that the major need was to increase the net transfer of resources to developing countries. The donor community should recognize that prosperity could not progress with pockets of poverty in the world, and international solidarity was a duty.

59. The representative of China expressed his appreciation for the efforts of the international community to improve transit systems and stated that China was providing transit facilities to neighbouring countries on the basis of the principles of equality and mutual benefits. For example, in 1991 a transit transport agreement had been concluded with Mongolia, and transit highways and railways were regularly maintained.

60. He stated that transit problems would be solved as long as transit and land-locked developing countries cooperated on the basis of the principles of equality and mutual benefit, and the donor community should also make contributions as necessary.

Action by the Meeting

61. At its closing plenary, on 19 May 1993, the Meeting adopted its agreed conclusions and recommendations (TD/B/LDC/AC.1/3). (For the rest of the agreed conclusions and recommendations, see annex I.)

Closing statements

62. The representative of Denmark speaking on behalf of the European Community and its member States, stated that the agreed conclusions and recommendations of the Meeting were a good result which land-locked developing countries, transit developing countries and the donor community could build on further.

63. The representative of UNCTAD noted that the conclusions and recommendations of the Meeting constituted a major breakthrough in the transit cooperation between land-locked and transit countries and in their partnership with the donor community. The agreement reached on priority areas for transit cooperation and on the modalities for action at the national, subregional and international levels provided a solid basis for further improvement of the transit systems. He pointed out that the agreement on the follow-up mechanism would ensure the effective monitoring of the implementation of the agreed conclusions, which would be considered by the Trade and Development Board and the General Assembly.

64. The Vice-Chairman-cum-Rapporteur, who chaired the closing plenary, stated that the agreed conclusions and recommendations were an important step in the elaboration of action to tackle the problems of land-locked countries, because they incorporated the concerns of transit countries regarding transit. He emphasized that the land-locked developing countries were not looking for special status, but they had special problems and special circumstances and the land-locked developing countries were asking the donor community to respond to these. He also underlined that much depended on what the land-locked and transit developing countries could do themselves.

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

65. The Meeting was opened by the Deputy Secretary-General of UNCTAD on 17 May 1993.

B. Election of officers
(Agenda item 1)

66. At the first meeting, on 17 May 1993, the following officers of the Bureau were elected:

Chairman: Mrs. Claudia FRITSCHE (Liechtenstein)

Vice-Chairman-cum-Rapporteur: Mr. James Boliba BABA (Uganda)

C. Adoption of the agenda and organization of work
(Agenda item 2)

67. At its opening plenary, the Meeting adopted the provisional agenda as amended, as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the problems of land-locked and transit developing countries
4. Proposals for appropriate concrete action to address the problems of land-locked developing countries, taking into account the problems of transit developing countries
5. Other business
6. Adoption of the report of the meeting

D. Adoption of the report of the Meeting
(Agenda item 6)

68. At its closing plenary, on 19 May 1993, the Meeting adopted its draft report (TD/B/LDC/AC.1/L.1 and Add. 1 and 2) and authorized the completion of the report in the light of the proceedings at its closing plenary.

Annex I

AGREED CONCLUSIONS AND RECOMMENDATIONS: PRIORITY AREAS AND MODALITIES FOR FURTHER ACTION TO IMPROVE TRANSIT SYSTEMS IN LAND-LOCKED AND TRANSIT DEVELOPING COUNTRIES

1. General Assembly resolution 46/212 reaffirms the right of access of land-locked countries to and from the sea and freedom of transit through the territory of transit States by all means of transport, in accordance with international law. It also reaffirms that transit developing countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for land-locked developing countries should in no way infringe upon their legitimate interests. Furthermore, it calls upon both the land-locked developing countries and their transit neighbours, within the spirit of South/South cooperation, including bilateral cooperation, to implement measures to strengthen further their cooperative and collaborative efforts in dealing with their transit problems.

2. In order to respond to these challenges, land-locked and transit developing countries and donor countries and financial and development institutions should undertake concrete measures in a number of priority areas at national, subregional and international levels.

I. Priority areas for transit cooperation

a. Regulatory framework

3. Transit traffic is facilitated by agreements and conventions, appropriate bilateral and regional arrangements, and cooperative and collaborative efforts which establish the principles and modalities that govern the development of transit infrastructure, arrangements for its use, management and maintenance and day-to-day transit procedures. The problems which have to be addressed in relation to the regulatory framework are: the establishment of appropriate rules to govern transit in particular situations; and the establishment of an appropriate mechanism to ensure that rules are implemented.

4. At the multilateral level there are a range of conventions relevant to transit, some of which set out principles which can act as guidelines in formulating and implementing bilateral and subregional transit agreements, others being of a technical nature which could assist in developing frameworks for transit operations. The universal adherence to these conventions by land-locked and developing countries has been slow. These agreements are an important tool for improving transit systems, and international cooperation would be enhanced by their widespread application.

5. There are also a number of regional and subregional agreements related to transit. These cover such aspects as transit routes by rail, road and inland waterways, customs documentation and procedures, bonding guarantee systems, liability for goods, storage facilities for goods in transit, road maintenance

regimes, road user charges, and procedures for clearing and forwarding. Some of the problems have often been related to poor formulation and weak monitoring of implementation and the settlement of disputes.

b. Transit facilities and services

6. The poor and deteriorating maintenance of road transit infrastructure is a general problem. Development of road transit infrastructure is handicapped by the general shortage of resources in developing countries. This has contributed significantly to the high costs of road services on which the international movement of cargo is still heavily dependent. In some regions agreements have been adopted to promote the adequate maintenance of road infrastructure through regulations related to the harmonization of vehicle axle-load weights and road user charges along international routes, but their implementation is still not universal, with adverse impact on the road infrastructure of the countries affected.

7. Despite the improvements in rail infrastructure in some regions following major rehabilitation programmes, some of which are funded by the donor community, there are still serious problems of equipment, and railways have been losing more traffic to roads because of the low quality of services. The major bottleneck is the low standard of management efficiency, although efforts are being made to move towards a more aggressive market-oriented enterprise policy of railway management. However the impact of these efforts is still to be felt. Inter-railway working agreements and arrangements between land-locked and transit countries have also helped improve the coordination of railway operations in some land-locked and transit countries, but there is still a need for improvements in this area.

8. Storage for transit cargo raises a number of difficult problems. Before transit cargo can be moved out of the port, procedures such as documents processing and customs clearance must first be completed. And this is more time-consuming for land-locked countries owing to the extra documentation and procedures required.

9. One of the main causes of delays and high transit costs both in ports and at border crossing points is customs procedures. Factors associated with this are late arrival of documents at the transit sea ports, cumbersome customs clearance procedures at the borders, long stays in warehouses with consequent important storage charges, losses and pilferage, expensive customs security bonds and low capabilities of clearing and forwarding agents. Trade facilitation is therefore even more relevant for land-locked countries, for which administrative procedures and time-consuming formalities are often duplicated.

10. Inadequate communication links between commercial centres in land-locked and transit countries, ports and overseas markets continue to be a major handicap inhibiting the speedy movement of transit cargo. This can lead to enormous delays in getting the cargo in and out of the ports, since there is irregular information on the time schedules for the arrival and departure of cargo. The costs caused by such delays are considerable.

11. The particularly adverse circumstances affecting the movement of transit traffic to and from the land-locked developing countries expose cargo to risks of loss and damage, thus giving rise to higher insurance premiums. There are instances where goods are subject to prolonged inspection and are sometimes made to wait in congested, unprotected and inadequate premises and have to be reloaded before they can continue their inland journey - factors which often increase the risk.

12. The trend towards increased containerization offers the opportunity to increase the security of transit cargo, reduce the risks of customs frauds, and undertake the door-to-door movement of goods performed under the responsibility of a single multimodal transport operator. However, many land-locked and transit developing countries are not yet in a position to take full advantage of these new technological and organizational changes in international transport.

13. There is an acute shortage of trained human resources in both the land-locked and transit countries to meet the requirements of efficient management of transit operations at all levels. This constraint has had an extremely adverse impact on the quality of transit services and has contributed to high transit costs.

14. Transport policies of transit countries are formulated within the framework of overall domestic transport strategy, and investment in transport infrastructure may be treated marginally owing to the competition for scarce resources by all sectors of the economy. The inadequacy of transit facilities in transit countries may therefore as a result have an adverse impact on the cost of transit services.

II. Modalities for action to improve transit systems

a. International conventions

15. Land-locked and transit countries should make concerted efforts to become parties to and implement international conventions relevant to transit, as appropriate.

(i) A suitable approach in this regard would be to seek technical assistance from relevant multilateral agencies in order to determine the implications for adherence to such conventions and the technical procedures involved both before ratification and thereafter.

(ii) Since some of these conventions have provisions related to the rights and duties of both land-locked and transit States, like the 1965 Convention on Transit Trade of Land-locked States, it would be most appropriate if joint consultations were held with the aim of considering becoming party to, ratifying, and implementing these conventions concurrently.

b. Subregional action

16. Land-locked and transit countries should make concerted efforts to implement bilateral and subregional agreements and arrangements.

(i) They should make increased efforts to further harmonize and streamline customs documentation and procedures related to transit in line with international models of aligned documents developed by the Customs Cooperation Council and UNCTAD. Other existing transit documents for port and cross-border operations also generally require extensive simplification and harmonization. It is urged that institutional arrangements such as the establishment of Trade/Transit Facilitation Committees - which monitor and assist in the implementation of agreed documents and procedures - be made where they do not exist, and where they exist they should be strengthened.

(ii) Land-locked and transit countries should agree to standardize the regulations governing carriers' liability in the form of inter-State agreements for each type of carrier (road, railways, inland waterways and multimodal transport operators) based on the general guidelines of the Convention on the International Carriage of Goods by Road (CMR) and the International Convention concerning the Carriage of Goods by Rail (CIM) and taking into consideration regional circumstances.

(iii) The harmonization of procedures for road maintenance in transit corridors also calls for full cooperation between land-locked and transit countries. This should include: harmonized road user charges based on the principle that transit traffic, including nationally registered vehicles involved in transit operations, pays for the costs of providing and maintaining the highways used; the allocation of revenue realized from such payments to road maintenance; and the coordinated enforcement of uniform axle-load limits and weigh-bridges.

(iv) The liberalization of trade in road transit services can only have an effective impact if land-locked and transit States jointly agree to adopt similar coordinated policies. These should include the harmonization of rules and procedures governing the operation of non-national carriers of transit goods in each other's territory (which currently include permits, licences, cargo-sharing systems) and the rationalization of subsidies to national carriers involved in international road transit, in line with regional and subregional policies to liberalize trade and services.

(v) Land-locked and transit countries should undertake other initiatives to facilitate transit operations which include: the promotion of bilateral joint ventures in the field of transport; the improvement of communication services and management information systems; the movement of road vehicles or railroad rolling stock across the frontiers of the land-locked and transit countries.

(vi) Land-locked and transit countries should establish institutional mechanisms to monitor and enforce the cooperative arrangements made between land-locked and transit States. There cannot be any model institutional mechanism to which all transit agreements and arrangements should subscribe because the circumstances surrounding each case are different. What is important is that a mechanism for regular dialogue exists because, without this, meetings are only convened to resolve an impending crisis. Clearly, where several countries and different modes of transport are involved, establishment of small secretariats and an intergovernmental consultative machinery for regular consultation is a good investment. At the operational level, arrangements should be made for regular consultations between operational executives of the Governments of land-locked and transit countries with the users of the transit facilities with a view to the expeditious solution of day-to-day problems.

(vii) Subregional or corridor-specific private sector associations of road transporters, shippers councils and freight forwarders from land-locked and transit States should be formed and, where they exist, they should be strengthened, most appropriately with the support of the Chambers of Commerce.

17. Land-locked and transit countries should further promote regional and subregional trade arrangements and cooperation, and UNCTAD, ITC and the regional commissions are called upon to support these efforts.

c. National action

18. While action at the subregional level is the key to improvement of transit systems, such action will have more success if it is supported by measures at the national level. These include some measures which are specific to land-locked or transit countries, and some measures which are relevant to both groups of countries.

(i) Land-locked countries should re-assess the impact on the efficiency of transit operations of government regulation which, inter alia, includes the use of foreign exchange procedures to regulate the volume of the flow of transit cargo, particularly with respect to imports; price control to support indigenous road hauliers; restrictions on the use of certain modes of transport; and measures designed to encourage route diversification. Government intervention should be reduced whenever such intervention results in avoidable costs.

(ii) In order to minimize the delays associated with customs and clearance procedures in ocean ports, land-locked countries should vigorously promote the development of dry inland ports where volumes of traffic are sufficient and, most appropriately, the establishment of institutions to propel such promotional work, in close liaison with the private sector and wherever

possible with transit States. Furthermore, they should seek to elaborate a procedural framework, including adequate legislation for through transit.

(iii) Transit countries should encourage port authorities to look for transit cargoes actively. These efforts should be accompanied by measures which enhance the logistical efficiency of importers and exporters in the land-locked countries, including the provision of storage and handling facilities for transit cargo, improved procedures and lobbying for inland transport services. The management of ports should move towards a more market-oriented policy, and port authorities should be given greater management authority to effect changes.

(iv) Both land-locked and transit countries should take action to attract transit traffic to existing inter-country railway lines through measures which improve the quality of service and managerial restructuring of railway authorities, without discounting the possibilities of investing in new railway networks where this is deemed viable.

(v) Both land-locked and transit countries should intensify human resource development programmes targeted at transit system requirements, particularly with reference to: organization and management of road and rail transit services; establishment and management of transport terminals, including container depots and dry ports; supervisory and operational functions related to other areas of transit operations (insurance, airfreighting and customs documentation). These measures should be complemented by human resources development programmes at the subregional level. UNCTAD's ongoing technical assistance work is a good example in this area.

(vi) In some land-locked and transit countries there is an urgent need to take measures to increase the professional standing of freight forwarders. Small and medium-scale freight forwarders should be fostered through human resource and institutional development programmes.

(vii) Both land-locked and transit countries should cooperate with national subregional insurance and banking institutions in facilitating warehouse-to-warehouse cargo insurance. Land-locked countries should not impose restrictions on the choice of the insurance, leaving the insured to select the best insurance cover with the most reasonable rate of premium.

19. Many of the rules governing transit trade have evolved in the context of measures to protect the legitimate interests of involved countries. Further examination, evaluation and measures should be seen in the light of securing a balance between the legitimate interests of both land-locked and transit developing countries.

d. International action

20. The donor community is supporting various programmes to promote the improvement of transit systems in various regions and subregions. Given the continued economic crises which land-locked and transit countries are facing and their inability to maintain efficient transit systems, the donor community should reassess its approach to assistance to improve transit systems, as appropriate, in its response to the requirements of these countries.

(i) Donor countries and financial and development institutions should give priority to projects and programmes as appropriate which adopt a subregional/corridor approach to the improvement of transit systems, and which adequately serve the needs of both land-locked and transit countries.

(ii) Donor countries and multilateral financial and development institutions should provide land-locked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and transit infrastructures and facilities, including alternative routes and improved communications.

(iii) The criteria for the elaboration of financial and technical assistance projects should take account of the especially difficult circumstances of these countries, without compromising the viability of these projects.

(iv) UNCTAD and appropriate financial institutions will continue to provide technical assistance to support the land-locked and transit countries in their efforts to improve the transit systems and will thus make their contribution in the various areas mentioned above. There are, however, some areas where consideration should be given to enhancing UNCTAD's role in collaboration with other relevant agencies, particularly the regional commissions. Such areas include:

- Accumulating, evaluating and disseminating information on transit matters, drawing lessons from experiences in different regions and subregions with regard to the design and improvement of transit systems;

- Carrying out transit-related studies which help decision makers, particularly with a view to identifying critical bottlenecks which could be removed quickly and at minimum cost, in such areas as the analysis of transit costs and their implications, the role of information systems in improving transit operations, modalities for improved access to markets for the exports of land-locked developing countries, measures to attract foreign investment, and the identification of successful approaches to cooperative arrangements;

- Organizing training programmes tailored to the needs of transit policy-makers, managers and operators;

- Monitoring the progress in the implementation of action by the international community related to the transit needs and problems of land-locked developing countries;

- Formulating measures to be adopted at the national, subregional and international levels to improve the transit systems in the light of changing economic and political environments.

(v) There is a need to evaluate the transit systems of the newly independent land-locked States in Central Asia and Transcaucasia and to elaborate a programme for improving the efficiency of the current transit environment. These countries are seeking to enter world markets, and this requires the establishment of a complex multi-country transit system, including transit links between the Central Asian States and neighbouring and southern Asian transit countries. Various forms of international technical and financial assistance will be required in this respect, including a general survey of transit infrastructure and rehabilitation needs in support of national and regional efforts and programmes. In this regard the work being done by ESCAP in the context of ECO can provide a basis for further elaboration.

III. Follow-up action of the tripartite conclusions

21. The meeting recommends the following modalities to monitor the implementation of agreed recommendations.

(i) The holding of a similar meeting of governmental experts from developing land-locked and developing transit countries, donor countries and financial and development institutions every two years, at or around the time of sessions of the Trade and Development Board or the General Assembly.

(ii) The holding of regular regional symposiums to monitor progress of implementation of agreed conclusions at or around the time of the meetings of the regional commissions.

Annex II

STATISTICAL TABLES

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Table 5: Export value and purchasing power of exports of the land-locked developing countries

Table 6: Import value and volume of the land-locked developing countries

Table 1 Selected geographical and demographic data, land locked developing countries

	Area (thousands of km²)	Distance to the sea a/ (km)	Population					Labour force (percentage)	
			Density (population per km²) 1991	Total (million) 1991	Average life expectancy at birth (years) 1990-1995 b/	Infant mortality (per 1,000 live births) 1990-1995 b/	Urban (percentage) 1990	In agriculture 1990	In industry 1989
Afghanistan	652.1	2 000-10 600	27	17.7	44	162	18	55	11
Bhutan	47.0	800	34	1.6	49	129	5	91	2
Bolivia	1 098.6	250-2 736	7	7.3	61	85	51	42	15
Botswana	581.7	1 100-1 400	2	1.3	61	60	28	63	9
Burkina Faso	274.2	900-1 210	34	9.2	48	118	9	84	4
Burundi	27.8	1 455-1 850	203	5.7	48	106	6	91	2
Central African Republic	623.0	1 400-1 815	5	3.1	47	105	47	53	6
Chad	1 284.0	1 715-2 015	4	5.7	48	122	30	75	4
Lao People's Democratic Republic	236.8	670	18	4.3	51	97	19	72	6
Lesotho	30.4	740-800	59	1.8	61	79	20	80	3
Malawi	118.5	550-700	74	8.6	44	142	12	75	6
Mali	1 240.2	1 170-1 289	8	8.5	46	159	19	81	2
Mongolia	1 566.5	...	1	2.2	64	60	52	30	16
Nepal	140.8	890	143	20.1	54	99	10	92	1
Niger	1 267.0	1 100-2 690	6	8.0	47	124	20	87	1
Paraguay	406.8	1 043-1 935	11	4.4	67	47	48	46	15
Rwanda	26.3	1 750	278	7.3	46	110	9	91	2

	Area (thousands of km²)	Distance to the sea a/ (km)	Population					Labour force (percentage)	
			Density (population per km²) 1991	Total (million) 1991	Average life expectancy at birth (years) 1990-1995 b/	Infant mortality (per 1,000 live births) 1990-1995 b/	Urban (percentage) 1990	In agriculture 1990	In industry 1989
Swaziland	17.4	200-500	44	0.8	58	73	33	66	7
Uganda	235.9	1 450	77	18.1	42	104	10	81	3
Zambia	752.6	2 000-2 750	11	8.4	46	84	50	69	7
Zimbabwe	390.6	592-2 000	26	10.3	56	59	26	68	8
All land locked developing countries	11 018.1		14	155.6	49	112	21	76	5
All developing countries	66 330.2		43	2 985.9	59	87	39	64	12.5/

Source: UNCTAD secretariat calculations based on data from the Statistical Office of the Secretariat, ECLAC, ECA, FAO, UNCTAD, UNDP and the World Bank.

a/ Distance from principal towns to main ports. The figures are the shortest and longest routes used.

b/ Projections.

Table 2 : Indicators on transport a/

Country	Road network			Railways				Civil aviation			
	Total	Paved	Density	Network	Density	Freight	Passengers	Freight		Passengers	
	km	%	km/ 1 000 km²	km	km/ 1 000 km²	mio ton km	mio pass km	Total	Inter-national	Total	Inter-national
								(thousand tons)		(thousands)	
Afghanistan	19 010	19.1	29.2	..	..	..	..	9.9	9.5	174	65
Bolivia	41 542	4.2	37.9	3 701	3.4	510	353	8.0	7.0	1273	376
Botswana	8 880	20.0	15.3	714	1.2	1 370		..	..	118	83
Burkina Faso	11 150	11.7	40.7	504	1.8	..	..	7.6	7.5	112	85
Burundi	5 430	15.7	195.1	..	..	..	..	5.6	5.6	58	57
Central African Rep	24 310	2.0	39.0	..	..	..	..	13.3	13.3	84	82
Chad	27 000	1.4	21.0	..	..	..	..	..	..	..	..
Lao People's Dem. Rep	12 983	17.3	54.8	..	..	..	..	0.6	0.3	165	59
Lesotho	4 650	11.4	153.2	..	..	..	..	..	..	58	35
Malawi	12 890	18.0	108.9	782	6.6	113	117	5.7	4.6	233	157
Mali	14 040	14.8	11.3	642	0.5	202	186	10.2	9.7	176	164
Mongolia	46 700	19.3	29.9	1 748	1.1	5 956	579	..	..	..	..
Nepal	7 362	40.5	52.3	52	0.4	..	..	17.5	17.0	800	600
Niger	19 560	20.4	15.4	..	..	..	..	5.6	5.5	97	83
Paraguay	14 783	13.5	36.4	441	1.1	14	2	..	..	..	..
Rwanda	12 930	5.6	490.9	..	..	..	..	8.5	8.5	74	68
Swaziland	3 447	20.0	202.6	316	18.6	5 487	1157	..	..	40	40
Uganda	27 000	6.7	114.5	1 100	4.7	82	315	10.0	10.0	122	111
Zambia	37 359	17.3	49.6	1 924	2.6	..	..	14.0	13.2	590	405
Zimbabwe	78 400	16.5	201.0	3 415	8.8	5 287	..	65.0	64.0	583	233

Source

IRU, World Transport Data 1990;

IRF, World Road Statistics 1985-1989, edition 1990;

ICAO Digest of Statistics, Airport Traffic 1990;

ESCAP, Statistical Yearbook for Asia and the Pacific 1990 and national sources.

United Nations, Statistical Yearbook (37th issue-1992).

a/ Data refer to 1989 or latest year available.

Table 3: Freight as a percentage of c.i.f. import values for selected group of countries

		1980	1989	1990
1	World total	6.64	5.29	5.22
2	Developed market economy countries	5.49	4.42	4.40
3	Developing countries total: of which:	10.44	9.05	8.60
	in Africa	13.42	11.22	11.00
	America	8.85	8.54	8.17
	Asia	10.41	8.35	8.19
4	Land-locked developing countries:			
	West Africa 1/	22.4	22.3	22.2
	East Africa 2/	17.3	16.8	16.5
	Latin America 3/	16.1	14.5	14.1

Source: IMF, International Financial Statistics Yearbook.

1/ Burkina Faso, Central African Republic, Chad, Mali.

2/ Burundi, Rwanda, Uganda, Zambia.

3/ Bolivia, Paraguay.

Table 4

Payments to foreign carriers for transport services as a proportion of total exports of goods and services

	Transport payments (million dollars) 1990	Exports of goods and services: total (million dollars) 1990	Transport payments ratio (per cent) 1990
Afghanistan	92.1a/	280.6a/	32.8a/
Bolivia	149.4	995.5	15.0
Burkina Faso	109.8	369.2	29.7
Burundi	37.2	97.3	38.2
Central African Republic	61.4b/	197.7b/	31.1b/
Chad	96.2a/	199.0a/	48.3a/
Lao People's Democratic Republic	..	81.0c/	..
Lesotho	25	555.1	4.5
Malawi	167.3c/	334.8c/	50.0c/
Mali	185.3	440.0	42.1
Nepal	51.3	447.4	11.5
Niger	42.6a/	368.7a/	11.6a/
Paraguay	6 186.8	1 939.3	9.6
Rwanda	48.6	149.2	32.6
Swaziland	16.9	815.3	2.1
Uganda	169.4d/	409.6d/	41.4d/
Zambia	201.0a/	1 427.0a/	14.1a/
Zimbabwe	123.7c/	1 872.7c/	6.6c/
All developing countries	55 712.0	955 747.0	5.8

Source: UNCTAD Handbook of International Trade and Development Statistics.

a/ 1989.
b/ 1987.
c/ 1988.
d/ 1986.

Table 5 Export value and purchasing power of exports of the land-locked developing countries

Country	Exports in 1991			Annual average growth rates (%) of											
				Export value				Purchasing power of exports				Purchasing power of of exports per capita			
	Total $ million	Total % of GDP [a]	Per capita $	1970-1980	1988-1989	1989-1990	1990-1991	1970-1980	1988-1989	1989-1990	1990-1991	1970-1980	1988-1989	1989-1990	1990-1991
Afghanistan	210	2 9	12	21 2	-45 0	-1 3	-10 6	7 9	-47 0	-7 8	-10 8	6 1	-49 1	-12 6	-16 5
Bhutan															
Bolivia	858	20 1	117	19 9	36 8	9 5	4 7	6 4	34 7	2 5	4 9	3 8	31 4	0 0	-7 1
Botswana	1310	41 0	1027	34 4	22 4	11 1	1 9	18 5	18 1	-17 5	2 5	14 2	14 8	-19 8	-0 5
Burkina Faso	75	2 3	8	18 4	-47 2	2 7	2 7	5 2	-49 0	-9 4	3 1	2 8	-50 4	-11 8	0 3
Burundi	76	6 8	13	17 2	-41 4	3 8	1 3	3 4	-43 4	-10 7	1 9	1 7	-45 0	-13 3	-1 0
Central African Rep	133	10 0	43	13 4	-103 0	3 0	2 3	1 0	-97 7	-8 6	1 3	1 2	-92 4	-11 0	1 3
Chad	137	12 2	24	14 0	-2 8	2 2	2 2	1 4	-6 1	-9 1	2 0	0 6	-8 0	-11 1	-0 5
Lao People s Dem Rep	80	9 2	18	19 1	1 2	0 0	0 0	5 1	4 7	-7 1	0 6	3 3	7 7	-10 0	-2 5
Lesotho	40	7 4	22	26 0	0 0	0 0	0 0	11 1	-3 5	-7 1	0 6	8 6	-5 9	-9 4	-1 9
Malawi	540	22 5	61	16 4	6 0	-56 6	-29 2	3 2	8 5	-44 4	-29 8	0 2	-11 5	-39 8	-25 5
Mali	280	10 8	29	21 1	8 8	2 7	5 7	7 2	5 0	-9 4	-5 9	4 8	1 8	-12 2	-2 6
Mongolia															
Nepal	250	6 7	12	9 8	17 2	31 4	19 6	-3 1	-20 1	-22 1	-20 3	-5 6	-22 2	-19 0	-17 3
Niger	250	9 7	31	33 8	-13 8	-2 0	-2 0	-18 7	-17 7	-10 1	-3 4	-15 3	-20 3	-12 9	-0 1
Paraguay	950	17 5	216	18 8	77 0	-17 5	0 9	-3 8	-70 8	-24 1	0 3	0 8	-66 0	-26 2	-2 5
Rwanda	112	5 2	15	21 1	-18 5	25 0	-1 8	-7 5	-21 2	-17 2	-2 2	-4 1	-23 8	-13 3	-1 2
Swaziland	430	62 4	558	16 0	-2 2	0 7	-2 3	-2 0	-5 0	-8 2	-1 2	-1 0	-7 4	-10 5	-3 7
Uganda	195	3 8	11	4 6	-8 8	-39 2	-28 3	-7 5	-10 1	-43 3	-27 4	-10 2	-12 9	-45 0	-23 5
Zambia	920	21 4	109	3 5	-14 3	-33 3	-2 3	-8 3	-11 0	-38 5	-2 9	-11 0	-7 0	-40 7	-0 8
Zimbabwe	1300	20 9	127	12 9	-20 3	-2 3	-2 4	-0 7	-22 6	-9 7	-3 5	-3 7	-25 2	-12 6	-0 3
All land-locked developing countries	8146	14 1	54	12 9	-5 6	-7 8	-2 9	-0 2	-2 4	-14 7	-3 4	-2 6	-0 8	-17 4	-0 0
All developing countries	781400	27 3	271	25 9	12 6	13 3	5 9	10 1	9 0	-4 7	-7 4	-7 5	-6 4	-2 3	-5 0

Source: UNCTAD secretariat calculations, mainly based on *UNCTAD Handbook of International Trade and Development Statistics, Supplement 1991*

Note: Annual average growth rates are based on an exponential trend function

a 1990 data

Table 6 **Import value and volume of the land-locked developing countries**

Country	*Imports in 1991*			*Annual average growth rates (%) of*											
				Import value				*Import volume*				*Import volume per capita*			
	Total $ *million*	*% of GDP* [a]	*Per capita* $	*1970-1980*	*1988-1989*	*1989-1990*	*1990-1991*	*1970-1980*	*1988-1989*	*1989-1990*	*1990-1991*	*1970-1980*	*1988-1989*	*1989-1990*	*1990-1991*
Afghanistan	650	11.0	37	19.4	-11.3	10.8	-26.5	5.3	-14.6	3.5	-26.6	4.6	-17.9	-1.9	-31.3
Bhutan															
Bolivia	942	16.0	128	20.6	4.9	15.5	31.6	7.1	3.3	8.1	31.3	4.4	0.8	5.6	28.1
Botswana	1600	56.8	1255	28.2	26.8	17.6	-10.1	13.1	22.3	-9.2	-9.6	9.0	18.8	6.1	-12.2
Burkina Faso	500	15.4	54	21.8	-34.2	52.2	2.9	8.2	-36.4	41.6	2.4	5.8	-38.1	37.8	0.4
Burundi	260	21.4	46	22.4	-8.7	25.5	10.2	8.0	-12.0	16.6	10.8	6.2	-14.5	13.2	7.6
Central African Rep	160	12.3	52	8.9	6.4	6.7	0.0	-3.0	3.6	0.5	-0.9	-5.1	0.8	-2.1	-3.6
Chad	540	48.1	95	7.5	3.8	21.8	1.9	-4.4	0.3	13.2	1.7	-6.3	-1.7	10.7	-0.8
Lao People's Dem Rep	155	17.9	36	2.4	-7.4	3.3	0.0	-9.7	-10.7	-4.0	0.6	-11.2	-13.5	-7.0	-2.5
Lesotho	450	97.5	251	30.8	2.3	20.5	-15.1	15.3	-1.3	11.9	-14.6	12.7	-3.7	9.1	-16.7
Malawi	600	30.8	68	17.1	24.2	12.8	4.7	3.8	20.9	4.0	5.2	0.8	16.9	0.7	1.7
Mali	610	24.4	64	23.2	-2.5	20.0	1.7	9.0	-6.0	11.1	1.9	6.6	-8.8	7.7	-1.3
Mongolia															
Nepal	770	22.0	38	18.6	-14.6	18.1	12.2	4.6	-17.6	9.7	12.9	1.9	-19.7	6.9	10.1
Niger	370	14.3	46	27.5	-1.3	-2.7	2.8	13.2	-5.8	-10.8	4.2	9.9	-8.7	-13.5	0.8
Paraguay	1212	24.0	276	24.5	3.6	88.9	-7.7	8.8	0.0	73.9	-6.6	5.7	-2.9	69.0	-9.1
Rwanda	310	13.5	43	26.4	-9.8	-13.5	7.6	12.2	-12.7	-18.9	8.1	8.6	-15.6	-21.6	4.4
Swaziland	430	71.0	558	25.5	12.6	-13.9	-14.0	10.4	9.4	-20.5	-13.0	7.1	6.7	-22.5	-15.3
Uganda	660	19.5	36	2.9	19.9	19.6	-15.4	-9.1	18.1	11.7	-16.0	-11.7	14.4	8.2	-18.5
Zambia	1200	29.5	142	5.6	4.1	42.4	-3.5	-6.4	1.0	31.2	-2.9	-9.2	-2.6	26.5	-6.4
Zimbabwe	1000	17.3	97	10.9	-16.2	-3.7	-4.8	-2.5	-18.6	-11.0	-3.7	-5.4	-21.4	-13.8	-6.7
All land-locked developing countries	12419	22.9	82	15.8	0.5	19.2	-3.5	2.4	-2.8	10.7	-3.2	-0.1	-5.8	7.2	-6.4
All developing countries	780300	26.8	270	23.8	10.7	15.4	7.9	8.3	7.2	6.6	9.4	5.8	4.7	4.2	6.9

Source: UNCTAD secretariat calculations, mainly based on *UNCTAD Handbook of International Trade and Development Statistics, Supplement 1991*

Note: Annual average growth rates are based on an exponential trend function

a 1990 data

Annex III

INTERNATIONAL CONVENTIONS

State members of UNCTAD which are contracting parties to a selected number of key international conventions relevant to transit traffic operations

	1965 Transit convention[a]	GATT Article V[b]	Kyoto Convention[c]	TIR Convention[d]	1972 Container convention[e]	1982 Frontier control of goods convention[f]	The Hague Convention[g]	Warsaw Convention[h]	CIM[i]	CMR[j]	1968 Road Traffic convention[k]	Hamburg Rules 1978[l]
Land-locked developing countries (Africa)												
Botswana		X						X				X
Burkina Faso	X	X						X				X
Burundi	X	X	X									
Central African Rep.	X	X									X	
Chad	X	X						X				
Lesotho	X	X	X			X						X
Malawi	X	X						X				X
Mali	X	X						X				
Niger	X	X						X			X	
Rwanda	X	X	X					X				
Swaziland	X							X				
Uganda		X	X					X				X
Zambia	X	X	X					X				X
Zimbabwe		X	X					X			X	
Transit countries (Africa)												
Algeria			X	X	X		X	X	X			
Angola							X	X				
Benin		X						X				
Cameroon		X	X				X	X				

	1965 Transit convention[a]	GATT Article V[b]	Kyoto Convention[c]	TIR Convention[d]	1972 Container convention[e]	1982 Frontier control of goods convention[f]	The Hague Convention[g]	Warsaw Convention[h]	CIM[i]	CMR[j]	1968 Road Traffic convention[k]	Hamburg Rules 1978[l]
Congo		X						X				
Côte d'Ivoire		X	X				X	X			X	
Ghana		X					X	X				
Guinea							X	X				X
Kenya		X	X				X	X				X
Mauritania		X						X				
Mozambique		X					X	X				
Nigeria	X	X	X					X				X
Senegal		X	X				X	X				X
South Africa		X	X			X					X	
Sudan												
Tanzania, United Republic of		X					X	X				X
Togo		X										
Zaire		X					X	X			X	
Land-locked countries (Asia)												
Afghanistan				X				X				
Bhutan												
Lao, PDR	X							X				
Mongolia	X							X				
Nepal	X							X				
Transit countries (Asia)												
China			X		X			X				

	1965 Transit convention[a]	GATT Article V[b]	Kyoto Convention[c]	TIR Convention[d]	1972 Container convention[e]	1982 Frontier control of goods convention[f]	The Hague Convention[g]	Warsaw Convention[h]	CIM[i]	CMR[j]	1968 Road Traffic convention[k]	Hamburg Rules 1978[l]
Cambodia								X				
India		X	X					X				
Iran, Islamic Rep. of				X			X	X			X	
Pakistan		X	X					X			X	
Russian Federation	X			X	X	X		X		X	X	
Thailand		X										
Viet Nam								X				
Land-locked countries (Latin America)												
Bolivia		X										
Paraguay							X	X				
Transit countries (Latin America)												
Argentina		X					X	X				
Brazil		X						X			X	
Chile	X	X		X								X
Peru		X					X					

a/ Convention on Transit Trade of Land-locked Countries, 1965.

b/ General Agreement on Tariffs and Trade.

c/ International Convention on the Simplification and Harmonization of Customs Procedures.

d/ Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention).

e/ Customs Convention on Containers, 1972.

f/ International Convention on the Harmonization of Frontier Controls of Goods.

g/ International Convention for the Unification of Certain rules relating to Bills of Lading.

h/ Convention for the Unification of Certain Rules relating to International Carriage by Air.

i/ International Convention concerning the Carriage of Goods by Rail (CIM).

j/ Convention on the Contract for the International Carriage of Goods by Road (CMR).

k/ Convention on Road Traffic, 1968.

l/ United Nations Convention on the Carriage of Goods by Sea, 1978.

Annex IV

SUBREGIONAL AND BILATERAL AGREEMENTS

Subregional and bilateral agreements between land-locked developing countries and their transit neighbours relating to transit, rail, road and port facilities

Land-locked developing countries	Subregional and/or bilateral transit agreement	Free trade areas	Customs unions	Currency unions	Joint ownership railways	Inter-railway agreements	Bilateral agreement on ports	Reserve port
Botswana	SACU[a] MOU[b]	SADC[c]	SACU[a]					
Burkina Faso	TRIE[b], Côte d'Ivoire, Ghana, Mali, Togo, Benin	CEAO[d] ECOWAS[e]		BCEAO[d]		Côte d'Ivoire	Togo, Côte d'Ivoire, Benin	Côte d'Ivoire
Burundi	NCTA,[f] Tanzania, United Rep. of	PTA[f]					NCTA, Tanzania, United Rep. of	Tanzania, United Rep. of
Central African Republic	Cameroon, Gabon, Congo, Equatorial Guinea	UDEAC	UDEAC	Cameroon, Congo				Congo, Cameroon
Chad	Algeria, Cameroon, Central African Rep., Congo	UDEAC[g]	UDEAC	Cameroon Central African Rep., Congo				Congo
Lesotho	SACU, MOU	SADC, PTA	SACU	RMU				
Malawi	Tanzania, United Rep. of, Mozambique, Zambia	SADC, PTA				Mozambique	Tanzania, United Rep. of, Mozambique	Tanzania, United Rep. of, Mozambique

Land-locked developing countries	Subregional and/or bilateral transit agreement	Free trade areas	Customs unions	Currency unions	Joint ownership railways	Inter-railway agreements	Bilateral agreement on ports	Reserve port
Mali	TRIE, Benin, Côte d'Ivoire, Togo, Burkina Faso	ECOWAS, CEAO		BCEAO		Senegal	Togo, Benin, Mauritania, Côte d'Ivoire, Senegal	Togo, Benin, Côte d'Ivoire, Senegal
Niger	TRIE, Benin, Burkina Faso, Nigeria, Ghana, Côte d'Ivoire	ECOWAS, CEAO		BCEAO			Benin, Togo, Nigeria	Benin, Nigeria
Rwanda	NCTA	PTA					Tanzania, United Rep of, NCTA	Tanzania, United Rep of
Swaziland	SACU, MOU	SADC, PTA	SACU	RMU		Mozambique		Mozambique
Uganda	NCTA	PTA				Kenya, Tanzania, United Rep of	NCTA, Tanzania, United Rep of	
Zambia	Tanzania, United Rep of	SADC, PTA			Tanzania, United Rep of	Tanzania, United Rep of, Zimbabwe, Zaire, South Africa	Tanzania, United Rep of	
Zimbabwe	Mozambique	SADC, PTA				Zambia, Mozambique, South Africa	Mozambique	Mozambique
Afghanistan	Iran, Islamic Rep of, Pakistan, Russian Federation							Pakistan
Bhutan	India	India	India	India				
Lao, PDR	Thailand						Thailand, Viet Nam	Thailand

Land-locked developing countries	Subregional and/or bilateral transit agreement	Free trade areas	Customs unions	Currency unions	Joint ownership railways	Inter-railway agreements	Bilateral agreement on ports	Reserve port
Mongolia	Russian Federation, China				Russian Federation			
Nepal	India						India, Bangladesh	India
Bolivia	Argentina, Brazil, Chile, Peru	LAIA[1]			Chile		Chile, Peru	Chile, Peru
Paraguay	Argentina	LAIA,[1] Argentina, Brazil						Argentina

a SACU Southern African Customs Union

b MOU Memorandum of Understanding between the Government of South Africa, Botswana, Lesotho and Swaziland

c SADC South African Development Community

d CEAO West African Development Community

e ECOWAS Economic Community of West African States

f PTA Preferential Trade Area for Eastern and Southern African States

g UDEAC Central African Customs and Economic Union

h TRIE Convention relating to Inter-State Road Transit of Goods

i LAIA Latin American Integration Association

j NCTA Northern Corridor Transit Agreement

k BCEAO Central Bank of West African States

l RMU Rand Monetary Union

Annex V

ATTENDANCE

1. The following States members of UNCTAD were represented at the Meeting:

Afghanistan
Armenia
Benin
Bhutan
Bolivia
Botswana
Burkina Faso
Burundi
Chad
Chile
China
Congo
Côte d'Ivoire
Denmark
France
Germany
Greece
India
Japan
Kazakhstan
Kenya
Lao People's Democratic Republic
Lesotho
Malawi
Mali
Mongolia
Nepal
Netherlands
Niger
Nigeria
Pakistan
Paraguay
Russian Federation
Rwanda
Senegal
Tajikistan
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uzbekistan
Zambia
Zimbabwe

2. The following bodies of the United Nations Secretariat were represented at the Meeting:

Economic and Social Commission for Asia and the Pacific (ESCAP)
Regional Commissions New York Office

3. The following specialized agency was represented at the Meeting:

International Maritime Organization (IMO)

4. The following intergovernmental organizations were represented at the Meeting:

European Community
Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR)
Organization of African Unity (OAU)
West African Economic Community (CEAO)

Annex VI

CHECKLIST OF DOCUMENTS

Basic documents

TD/B/LDC/AC.1/1	Adoption of the agenda and organization of work
TD/B/LDC/AC.1/2	Transit systems for land-locked developing countries: current situation and proposals for future action

Background documents

UNCTAD/LDC/Misc.2	Support for land-locked countries of South America. Contribution by the Economic and Social Commission for Latin America and the Caribbean (ECLAC)
UNCTAD/LDC/Misc.3	Activities on behalf of the land-locked developing countries. Contribution by the Economic and Social Commission for Asia and the Pacific (ESCAP)
UNCTAD/LDC/Misc.4	Assistance to land-locked countries with regional implications. Contribution by the Asian Development Bank
UNCTAD/LDC/Misc.5	Customs transit in international road haulage. Contribution by the International Road Transport Union
UNCTAD/LDC/Misc.6	Transit systems serving the land-locked countries: country profiles in West/Central Africa. Study prepared by Pierre Encontre
UNCTAD/LDC/Misc.7	Transit systems serving the land-locked countries: country profiles in East/Central Africa. Study prepared by Stephen Wainana
UNCTAD/LDC/Misc.8	Transit systems serving the land-locked countries: country profiles in southern Africa. Study prepared by Shemmy Simuyemba
UNCTAD/LDC/Misc.9	Transit systems serving the land-locked countries: country profiles in Asia
UNCTAD/LDC/Misc.10	International transport costs facing land-locked developing countries
UNCTAD/LDC/Misc.11	Legal and institutional framework for transit operations: current situation and proposals for improvement

UNCTAD/LDC/Misc.12 Synopsis of UNCTAD's technical cooperation activities in the area of transit traffic

UNCTAD/LDC/Misc.13 The role of airfreight in African land-locked developing countries. Study prepared by P.R.S. Wilson

UNCTAD/LDC/Misc.14 Improvements of current transit insurance arrangements for land-locked developing countries. Study prepared by Habib Makar

UNCTAD/LDC/Misc.15 Transit systems for Bolivia and Paraguay